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political work for the CDU and specifically the program that he is undertaking to influence the coming election through Identity 2. He gave the following information on this organization and its related activities:

a. Identity 2, as reorganized last year and put under CAEDOE C-120's chairmanship for the specific purpose of gaining control over publications which can be used by the conservative wing of the CDU -- the Adenauer coalition group -- to influence public opinion.

b. Identity 2 has a board of six men. Only five are operating at the present time since Identity 3 has shown signs of being mentally unbalanced and has been talking too freely. CAEDOE C-120 plans to increase the number of people participating in Identity 2 so that each man will contribute less to the financial support of the organization -- thus CAEDOE C-120 believes he will be able to increase his control over the entire enterprise. His ultimate objective is to make Identity 2 publications sufficiently profitable so that the entire organization will be self sufficient.

c. The organization now has control over "eight to ten newspapers" with a total circulation of about 300,000. During the last year newspaper consultants working for Identity 2 have surveyed approximately 50 newspapers for the purpose of putting them on the soundest financial basis possible. The implication here is that conservative newspapers supporting the coalition viewpoints are strengthened by means of such a consultant service.

d. Mat Service.

(1) The primary propaganda publication of the organization is a mat service. This consists of a one sheet (two pages) insert, size $13\frac{1}{2}$ " by $18\frac{1}{4}$ ", entitled Mensch und Werk. The first page of the insert is utilized for write-ups on the subject being used to influence public opinion. A heavy emphasis is placed upon visual aids devices such as cartoons, photographs, graphic representations, etc. It is done with the most modern types of formats, etc., to make it readable and attractive.

(2) On the second page, one-half is left blank for utilization for local write-ups by the publication which is to use the mat service. The second half of the second page is used for advertisements. The newspapers are willing to use this mat service primarily because they receive money for the ads. When a newspaper cannot use the entire two pages, it uses portions thereof as fillers where needed. Thus one specific item could be taken from the mat and in this case an advertisement would appear in some other portion of the newspaper which would pay for the mat.

(3) CAEDOE C-120 has two full-time assistants preparing Mensch und Werk. It appears every two weeks.

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(4) The present circulation of the mat-service is 600,000; published at a cost of DM 15,000.00 per month. Prior to the election CAEDDE C-120 plans to raise the circulation to 1,500,000 at a cost of DM 25,000.00 per month. (COMMENT: CAEDDE C-120 had previously reported the circulation was already up to 1,500,000 per month.)

(5) The targeted population is the worker in the middle sized town and villages -- large cities are excluded from the distribution. CAEDDE C-120 describes his population as that which could be of decisive importance in the coming elections since it is the independent voter group. The population is not under the heavy SPD influence of the large cities but could vote with the SPD or the CDU depending upon conditions. CAEDDE C-120 reports that research information indicates that each edition of the newspaper receiving Mensch und Werk is read on the average by 3.2 people. With a circulation of 1,500,000 he estimates that Mensch und Werk could be read by a potential audience of 4,800,000 or 8 - 10% of the West German population. During the Bundestag elections of 1953 the CDU received 4% more votes in the areas where Mensch und Werk was distributed than in similar areas where it was not distributed.

(6) CDU election themes to be pushed in this publication are (a) foreign policy position and (b) stability of the economy. Since the SPD is doing such a beautiful job of presenting a confused position on foreign policy, the CDU considers it unnecessary to push this theme at present. The SPD is doing sufficient harm to itself on this matter according to CAEDDE C-120 that it is just as well not to push the topic. Therefore, Mensch und Werk is almost primarily devoted to an objective explanation of economic policy, i.e., advantages of the German economy for the worker and housewife.

e. CAEDDE C-120's Proposal.

(1) CAEDDE C-120 stated that he does not need funds to carry on the mat service. He is certain that he can raise sufficient money to provide the DM 25,000.00 per month needed. He can get it from Bundesverband der Deutschen Industrie. However, he has reservations about taking funds from this group since they may place requirements upon him which he is unwilling to accept. (COMMENT: CAEDDE C-120 digressed to say that Fritz Thyssen of the Bundesverband and Hermann Otto, the Frankfurt banker, are the two greatest trouble makers in the CDU.) To prevent any one person from putting restrictions upon his direction of the mat service CAEDDE C-120 has been following a policy of accepting donations in DM 1,000.00 amounts. A certain amount of the support for the mat service comes from legitimate advertisements placed by industry in the publication. CAEDDE C-120 stated that it is his primary objective to make the mat self-sufficient so that it would not have to depend upon donors. The period between now and the election can be handled by donations. However, the period following the election will be one in which the self-sufficiency

of the publication is important and therefore a heavy emphasis is to be placed upon obtainment of ads for Monach und Werk.

(2) CAEDGE C-120 asked [] if he could use his ODACID contacts to determine whether American industries operating within Germany could be encouraged to place advertisements in Monach und Werk. He assumed that this group would be interested in supporting the Adenauer Coalition and the policies of Finance Minister Traffer and Economic Minister Ward. He went on to state that if the Case Officer knew any of these businessmen personally he would appreciate it if he could discuss this matter with them. He stated that his advertising representative for Identity 2 is Identity 4 and that if the Case Officer did find individuals willing to advertise he should tell them to get in touch with his representative.

(3) CAEDGE C-120 paused to wait for [] comments. The Case Officer stated that he was not acquainted with any American businessmen since his contacts were only in the political field. Contacts with American businessmen are ordinarily carried on by economic and commercial officers. [] stated that he was most impressed with the excellent project being carried out by CAEDGE C-120. It had been well thought out as to objectives, target populations, effective methods of persuasion, etc. The Case Officer stated that he would make queries among his ODACID colleagues to find out if anything could be done in this regard.

5. Der Kurier.

a. Identity 2 has now completed contracts which give it control of Der Kurier. A survey of the newspaper's administrative and financial policies has been made by Identity 2 consultants and the conclusions are that it can be made financially sound almost immediately. CAEDGE C-120 has a man who can take over the managerial aspects immediately. This individual has indicated that he would like a reserve fund of DM 200,000.00. This money is not needed for current operations and will be kept on hand for emergencies only.

b. Ernst Leeser has retained a 10% interest in the publication and he will remain the editor. However, his duties will be restricted to the writing of one editorial a week.

c. The paper will be used to support the conservative wing of the CDU. As an example of this use, CAEDGE C-120 said that a straight conservative CDU point of view on the subject of Wiedervereinigung can be published even though it differs from the official CDU point of view. Recently Adenauer made certain statements on the acceptability of a thinned out military zone for Germany. CAEDGE C-120 stated that this was a political maneuver and did not really represent true CDU policy. Der Kurier could have been used to push the true line.

d. Putting this policy into effect is somewhat ticklish in that Lemmer is a left-wing CDUer. Lemmer is being handled very carefully and he is gradually making concessions which are favorable to the right-wing policy.

e. The two major changes to be made in Der Kurier will be changing it from a morning to an afternoon edition and increasing its circulation in Western Germany. CAEDGE C-120 digressed long enough to say that he and his colleagues are of the opinion that reunification will come to Germany sometime within the next four years. Therefore, it is most important for the CDU to have a good stronghold over a Berlin newspaper which has national importance. Der Kurier is looked upon as a newspaper that has the reputation necessary for an increased circulation in Western Germany.

f. CAEDGE C-120 believes that the present circulation of the newspaper in Western Germany is approximately 500 copies daily. He hopes to bring the circulation up to 15,000 in the near future by converting it to an afternoon edition. The newspaper has at present the second most financial advertisements of any newspaper in Western Germany, the Frankfurter Allgemeine being the first in this regard. This offers an opportunity for it to find many readers in economic circles in Western Germany. Since the stock market in Germany closes at 1400 hours, it would be possible for Der Kurier to be on the streets in West Berlin by 1500 hours. Through an agreement reached with Pan American Airways, the newspaper will be flown to Western Germany so that it will appear on the streets in that area by 1600 hours the same day. The Frankfurter Allgemeine will not have this same information out until the next morning. CAEDGE C-120 does not expect this change to offer any great competition to the Frankfurter Allgemeine but he does expect to obtain many new readers in Western Germany.

g. Proposal. CAEDGE C-120 stated that if the U. S. Government wished to use Der Kurier for explaining certain points of view anonymously, this might be arranged. However, Der Kurier needs advertisements and again he would very much appreciate it if American businessmen in Germany could use Der Kurier -- "An article would be paid for by an ad."

6. Alex Springer Interested in Participation in Der Kurier.

a. CAEDGE C-120's friend Erich Blumenfeld, the coal importer from Hamburg, has recently informed him that Alex Springer wishes to discuss Der Kurier. Blumenfeld and Springer share CAEDGE C-120's views that Wiedervereinigung will come in a few years and West control of Berlin publications of potential national significance is a primary objective. Springer has recently acquired 25% or 20% interest in Der Kurier.

b. CAEDGE C-120 is not enthused about the possibility of Alex Springer in Der Kurier. He states that he has no intention of giving Springer a controlling interest. However, under certain circumstances

he would give him a partial interest. He explained that he does not regard Springer as particularly reliable politically. He believes that Springer will print almost anything in his publications that he is paid to print. However, if Springer would guarantee to support the conservative CDU point of view in his publications, particularly between now and the election, CAEDOC C-120 would possibly be willing to make a deal with him. The status of this negotiation is that CAEDOC C-120 has promised Blumenfeld to meet with Springer for discussions on Der Kurier.

7. Die Volkswille. This Schweinfurt publication has been so improved administratively since it has come under Identity 2's control that it is now profitable. Immediate plans for the publication include printing an issue which can be used by many adjacent communities. The edition will differ from the regular TAU in that the name of a local newspaper will be supplemented for Das Volkswille. Also, a certain amount of the content will be supplemented by local material.

8. Background Information on CAEDOC C-120's Participation in Propaganda Activities.

a. CAEDOC C-120 is a member of the Donnerstagskreis (see Attachment A.). The group is composed of a number of industrialists from the Stuttgart area. Jaeger Benz and Faech are both represented in this group. For some time, CAEDOC C-120 has been recognized as the political action referent for the group. The publication activities such as Manach und Werk were handled until about one year ago by CAEDOC C-120 through a company known as Information und Werbung Dienst (IWD) of Stuttgart. A good deal of the financial support came from the Donnerstagskreis (see Attachment A.). At one time CAEDOC C-120 made the proposal that the group buy the Stuttgarter Nachrichten. This proposal was supported by the Kreis and contracts were concluded with the owners of the newspaper. However, one of the owners backed out at the last moment, although he had signed the contracts, his signature had not been notarized. CAEDOC C-120 believes that certain members of the Kreis were skeptical of the value of this propaganda work and informed the SPD. The SPD in turn may have put pressure upon the owner who refused to sign. CAEDOC C-120 described this owner as a liberal.

b. After this occurrence, it was decided that Identity 2 should be taken over for the purpose of carrying on the public information work. This would assure that information concerning the activities would be confined to a small group. Thus the security would be greater.

c. Approximately three days a month are devoted to Identity 2 activities by CAEDOC C-120.

9. Support of German Publications by "Marshall Plan" Funds. The following views were expressed by the CDU concerning conservatives-liberalism in the German press. Support of the German press by the occupation authorities after World War II resulted in a majority of the newspapers

under the control of liberals. The liberals are represented in the press in greater proportion than they actually exist in the population. Marshall Plan funds (presumably counter-espionage funds) are probably still being used to support the German press. It is CHARGE C-120's opinion that this policy ought to be revised with the objective of determining whether this policy initiated in post-war days is presently valid and best represents the interests of both the U.S. and Germany. CHARGE C-120 states that an ideal situation would be that the press would be controlled by liberal and conservative owners in proportion to the actual existence of these elements in the population. The Case Officer stated that he was completely unfamiliar with this subject and implied that CHARGE C-120's views on this matter could be "misleading".

Case Officer's comments

10. At Identity One's party the Case Officer was accepted as a friend of CHARGE C-120 without any undue curiosity. Several of the male guests asked what type of work he did with CHARGE C-120. The Case Officer indicated that he was a political reporter and visited political personalities in his area. Two of the guests made comments that CHARGE C-120 was a man interested in politics and a man the Case Officer should speak to if he wanted to know what was going on in the area. Identity One sat down with it about three in the morning and said, "How does do you know Mr. Frankfort? Do you know my friend Herman Abi? When the Case Officer answered in the negative, he said, "Well where do you know them?" Fortunately, [redacted] remembered the name of the Chairman of the CIO in the area and gave his name. At that time the conversation was interrupted and there were no more problems of this type.

11. Information of interest in assessing CHARGE C-120 are comments made by his wife to [redacted] She stated that their life in the small village where they live is quite isolated and that they know few people. She and her husband did not live very long together in the village prior to this year when he had to leave for service in the army. They had known no one in the area at that time outside of his family. At the end of the war they went after the States for a few years and when return to the valley they found they still knew no one. Only within the last year or two have they started meeting a few people in Stuttgart which is about 30 kilometers away. She said that she likes this quiet life and would not have it any other way. However, her husband needs to have people around and there are most always guests at the house.

12. CHARGE C-120's location could be a factor in explaining the sympathies with which he pursues such interests as political propaganda projects, models, etc. His wife was present at the time [redacted] could join him and departing and CHARGE C-120 stated that part of [redacted] would join him and his wife when they go to Hanau for Peiping. A few minutes later as the wife walked the Case Officer to his car, CHARGE C-120 suggested that maybe [redacted] would like to call his model friend Harry in Hanau which might

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and take her out to dinner. [] reported that he did not have time for such pleasures on this trip.

13. Mrs. CAEDER C-120's new electric washing machine requires detergent soap which [] is to mail to her from PX sources. Also she requested that [] purchase 12 poplin shirts for her husband from the PX of the type which require no ironing.

14. Comments on CAEDER C-120's proposals (paragraphs 4.e. and 5.e. above) and on Headquarters CX analysis (Reference D.) are being forwarded as Reference A.

NOTES

15. The Case Officer is to telephone CAEDER C-120 when he has checked on the matter of American businessmen contributing advertisements to his publications as described in paragraph 4.e.(2) above.

APPROVED:

ATTACHMENTS:

- A. As noted above MEMORANDUM
- B. Identity List under separate cover

6 February 1957

DISTRIBUTION:

- 1 - ES (DIRECT) with atts. as noted above
- 2 - CGO with atts. as noted above
- 2 - EOB with atts. as noted above
- 2 - POG with atts. as noted above

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WIRELESS A. TO WPA-14391

Information on the Donnerstagkreis
received from CDU/CS C-120 at a
Meeting on 13 December 1956

It is composed of a group of leading industrialists in the Baden Wurttemberg area who control the funds of the Fördergesellschaft. They meet the first Thursday of each month. At a recent meeting they decided to double the assessments of all members for the purpose of financing the coming election campaign. Since this is a CDU controlled group, about 85% of the money will go to the CDU and the remaining 15% will go to other parties. This contribution to the CDU constitutes about 90% of the total of the CDU election funds for the Party in Baden Wurttemberg.

Comment: Source states that his brother is a member of the Kreis.

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